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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Honorable Patsy Mink House of Representatives 2135 Rayburn House Office Building Washington, DC 20515

Dear Congresswoman Mink:

Thank you for your letter concerning the effect of the new cable regulations on small cable operators.

On August 10, 1993, the Commission granted a temporary stay of the rate regulations for small systems with 1,000 or fewer subscribers (see enclosure) and initiated a Further Notice of Proposed Rule Making to examine the burdens on small cable systems. Your comments will be placed in the record of this proceeding.

As to your question regarding the customer service obligations of small cable systems, the specific issue of office locations is pending in our reconsideration of those rules and your comments will be made a part of that record as well (MM Docket No. 92-263). We can clarify, however, that there is no FCC requirement to maintain an office in each service area community. The relevant provision of our rules, 47 C.F.R. § 76.309(4)(c)(v), setting up a federal standard that local franchising authorities may exceed if they wish, requires only that a "customer service center" and "bill payment locations" be "conveniently located." A customer service center could be an equipment dropoff location open at least during normal business hours; a bill payment location could be a mail receptacle. A franchising authority may, however, in its discretion, require a cable operator to maintain an office in the service area community.

I assure you that your comments will be carefully weighed in our reconsideration proceedings.

Sincerely,

Roy J. Stewart

Chief, Mass Media Bureau

Enclosure

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Congress of the United States House of Representatives

Washington, DC 20515-1102

July 21, 1993

COMMITTEE ON STEERING AND POLICY

COMMITTEE ON BUDGET

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LABOR MANAGEMENT RELATIONS

COMMITTEE ON NATURAL RESOURCES

COMMITTEE ON GOVERNMENT OPERATIONS

The Honorable James H. Quello Chair Federal Communications Comm. 1919 M Street, N.W., Rm. 802 Washington, DC 20554

Re: MM Docket No. 92-266 - Petition for Reconsideration

Dear Chair Quello:

I am writing to urge the Commission to reconsider its proposed rate regulations to alleviate unnecessary burdens on small cable operators. I am advised that the Commission's proposed rate regulations would unnecessarily burden small cable operators, and therefore increase rates for many basic cable subscribers.

The Cable Television and Consumer Protection Act of 1992 "requires that the Commission develop and prescribe cable rate regulations that reduce the administrative burdens and cost of compliance for cable systems that have 1,000 or fewer subscribers." I believe that the Commission has endeavored to alleviate small system burdens, however, more needs to be done.

I urge the Commission to consider the recommendations of a consortium of small cable operators and associations, and:

- 1. Permit small operators to justify their current rates based on a simplified net income analysis;
- 2. Permit small operators to increase rates to the benchmark cap;
- 3. Authorize small operators to base rates on the bundling of service and equipment charges;
- 4. Allow small operators to pass-through rebuild costs;
- 5. Clarify that the customer service requirements that do not require small operators maintain local offices in each service area community; and
- 6. Commence a rulemaking to address small system regulatory concerns.

Chair Quello July 21, 1993 Page 2

These recommendations will permit small cable operators to avoid unnecessary and unintended burdens under the 1992 Cable Act, and thereby provide quality cable service at reasonable rates. This will serve to benefit small cable operators and consumers alike.

I urge the Commission to reconsider the current proposed rate regulations as it affects small cable operators, taking the time to ensure that the rate regulations that eventually go into effect reflect the intent of the Congress.

Thank you for your consideration of this matter.

Very truly yours

PATSY T. MANK

Member of Congress